

Message Text

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SECSTATE PASS AID FOR ADMINISTRATOR AND AA/ASIA

E.O. 11652: N/A

SUBJ: GILLIGAN JANUARY 20 BANGKOK NEWS CONFERENCE

FOLLOWING IS THE USIS-PREPARED TRANSCRIPT OF THE NEW CONFERENCE
AID ADMINISTRATOR JOHN J. GILLIGAN GAVE JANUARY 20 IN BANGKOK AT THE
CONCLUSION OF A TWO-DAY VISIT TO THAILAND.

(BEGIN TRANSCRIPT)

Q. GOVERNOR, PERHAPS YOU COULD GIVE US AN IDEA
OF WHAT YOU'VE BEEN DOING HERE BANGKOK?

A. WELL I'VE BEEN HERE IN BANGKOK WITH MR. SULLIVAN
WHO IS THE ASSISTANT ADMINISTRATOR OF AID FOR THE ASIA
BUREAU AND WE, THIS IS PART OF A TRIP THAT IS TAKING US TO
FIVE NATIONS IN ASIA IN A PERIOD OF ABOUT THREE WEEKS WHICH
IS A BRIEF ENOUGH TIME TO ATTEMPT TO GET SOME SENSE
OF WHAT OUR PROGRAMS ARE ACCOMPLISHING IN THESE
VARIOUS AREAS BUT WHILE NECESSARILY BRIEF IS STILL VERY
HELPFUL TO US SINCE WE WILL BE GOING BACK TO WASHING-
TON. AND IN ABOUT TWO WEEKS BEGIN THE CONGRESSIONAL HEARINGS ON
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THE PRESIDENT'S BUDGET PROPOSALS FOR FOREIGN ASSISTANCE FOR THE NEXT
FISCAL YEAR. I HAD THE PRIVILEGE OF SPENDING ABOUT AN HOUR
YESTERDAY WITH THE PRIME MINISTER AND SOME MEMBERS OF HIS CABINET
,
AND WE DISCUSSED SOME OF THE PROBLEMS THAT CONFRONT THAILAND
TODAY AND SOME OF THE THINGS THAT THE U.S. GOVERNMENT, THROUGH
ITS AID PROGRAM IS TRYING TO DO AND IN COORDINATION WITH THE THAI

GOVERNMENT TO ATTACK SOME OF THESE PROBLEMS. THE PROBLEMS OF INCREASING AGRICULTURAL PRODUCTIVITY, ESPECIALLY IN THE NORTHEAST AND NORTH CENTRAL REGIONS. THE PROBLEMS OF DEVELOPING AN INTEGRATED HEALTH PROGRAM, INCLUDING FAMILY PLANNING COMPONENT THROUGHOUT THE COUNTRY. THE PRIME MINISTER WAS ESPECIALLY CONCERNED ABOUT THE PROBLEM THAT IS VERY ACUTE HERE IN THAILAND, THAT OF THE FLOW OF REFUGEES FROM OTHER COUNTRIES THAT ARE COMING INTO THAILAND WHICH PRESENTS A VERY SPECIAL KIND OF DIFFICULT PROBLEM FOR THE GOVERNMENT TO DEAL WITH, AND THAT WE'VE BEEN ATTEMPTING TO HELP WITH. I TOLD HIM ON THAT SCORE THAT IN OUR DISCUSSIONS WITH THE REPRESENTATIVES WITH THE JAPANESE GOVERNMENT, WE HAD ASSURED THEM THAT THE AMERICAN GOVERNMENT INTENDED TO BE AS HELPFUL AS WE COULD ON THE REFUGEE PROBLEM. AND THE JAPANESE IN THEIR TURN PLEDGED THAT THEY WERE GOING TO MAKE A SUBSTANTIALLY LARGER CONTRIBUTION TO THE UN COMMISSION OF REFUGEES, SPECIFICALLY TO HELP WITH THE PROBLEM IN THAILAND. OUR GENERAL FEELING IS THAT THE PROGRAMS HERE ARE GOING VERY WELL. THE OFFICIALS OF THE THAI GOVERNMENT EXPRESS THEMSELVES AS BEING SATISFIED WITH THE WAY THE PROGRAMS WERE UNWINDING AND HOPED THAT THE U.S. GOVERNMENT WOULD CONTINUE TO BE ACTIVE IN THIS AREA. I ASSURED THEM THAT WE WERE, THAT OUR PROGRAMS WERE GOING TO INCREASE SUBSTANTIALLY THIS YEAR OVER LAST YEAR. NEXT YEAR WILL BE SUBSTANTIALLY INCREASED OVER THIS YEAR. AND WE KNOW THAT THE PROCESS OF UNCLASSIFIED

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ECONOMIC DEVELOPMENT IS A VERY LONG ONE. IT ISN'T SOMETHING THAT IS GOING TO BE ACCOMPLISHED IN A YEAR OR TWO. AND WE HOPE AND EXPECT TO BE IN A WORKING PARTNERSHIP WITH THE GOVERNMENT AND THE PEOPLE OF THAILAND FOR A VERY LONG TIME AND OUR JOINT EFFORT TO IMPROVE THE STANDARD OF LIVING AND THE ECONOMIC SOCIAL PROSPECT OF THE PEOPLE OF THIS BEAUTIFUL COUNTRY FOR MANY YEARS TO COME. NOW IF YOU HAVE SPECIFIC QUESTIONS THAT I CAN ATTEMPT TO ANSWER, I'LL BE HAPPY TO TRY.

Q. I UNDERSTAND THAT YOU ARE SIGNING AN AGREEMENT WITH THE MINISTRY OF FINANCE TODAY, AND COULD YOU GO INTO SOME DETAIL ON WHAT THE AGREEMENT WILL BE, WHAT THE AID FUNDS WILL BE USED FOR?

A. SO THIS IS A LOAN AGREEMENT OF THE LAM NAM OON INTEGRATED WATER LOAN DEVELOPMENT PROJECT. IT'S A PROJECT WHICH EFFECTS A REGION CONTAINING SOME 10,000 FARM FAMILIES. IT'S A PROJECT THAT INCLUDES IRRIGATION AND A COMPREHENSIVE PROGRAM OF RURAL DEVELOPMENT THAT INVOLVES INFRA-STRUCTURE LIKE ROADS AND SERVICE PROGRAMS INCLUDING HEALTH SERVICES, MARKETING AND CREDIT SERVICES AND OTHER THINGS LIKE THAT. IT IS AN

EFFORT TO ATTACK THE BROAD, PROBLEMS OF A LARGE REGION IN THE HOPES THAT WE CAN DEVELOP TECHNIQUES THAT WILL BE TRANSLATABLE AND REPLICABLE IN OTHER AREAS OF THE COUNTRY. THIS IS SOMETHING THAT USAID HAS ATTEMPTED TO DO IN A NUMBER OF COUNTRIES ADAPTING THE PROGRAM TO LOCAL CONDITIONS AND LOCAL NEEDS. I JUST LEFT THE PHILLIPINES WHERE I SPENT A COUPLE OF DAYS LOOKING AT A SIMILAR PROGRAM IN A RIVER VALLEY IN SOUTHERN LUZAN. AND WHILE THE CONDITIONS ARE SOMEWHAT DIFFERENT, THE OBJECTIVES ARE THE SAME AND THAT IS ESSENTIALLY IS THE PURPOSE OF THE LOAN AGREEMENT WHICH WILL BE SIGNED THIS MORNING.

Q. WHAT IS THE AMOUNT OF THE LOAN AGREEMENT.
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A. 4.5 MILLION DOLLARS, I GUESS.

Q. I'M THINK A PROPOSED BILL WAS SUBMITTED TO THE CONGRESS FOR THIS YEAR. HOW MUCH WILL BE GIVEN TO THAILAND?

A. IN THIS CURRENT YEAR, THE AMOUNT OF MONEY IN THE PROGRAM FOR THAILAND IS NINE MILLION DOLLARS. THE PROPOSALS THAT WILL GO TO THE CONGRESS FOR THE FISCAL YEAR BEGINNING IN 1979 WILL WIND UP SOMEWHERE BETWEEN 13 MILLION AND 15 MILLIO DOLLARS. SO IT WILL BE A VERY SUBSTANTIAL INCREASE.

Q. THIS IS DIRECT GRANTS OR LOANS...

A. NO, THIS COVERS BOTH LOANS AND GRANTS. THAT NUMBER IS FOR A BOTH.

Q. SO WHAT'S THE POSSIBILITY OF GETTING THE 13 AND 15 MILLION?

A. WELL I THINK THE POSSIBILITY IS VERY GOOD. THE PRESIDENT SAID ON MANY OCCASIONS SINCE TAKING OFFICE, THAT HE BELIVES VERY STRONGLY THAT WHAT THE U.S. DOES IN THE FIELD OF OVERSEAS ECONOMIC DEVELOPMENT IS THE MOST IMPORTANT ACTIVITY THAT OUR GOVERNMENT WILL TAKE IN TERMS OF THE KIND OF WORLD THAT WE'RE ALL GOING TO BE LIVING IN BY THE YEAR 2000. AND HE INTENDS TO PUSH VERY STRONGLY FOR THE APPROVAL OF THESE BUDGET REQUESTS FOR FOREIGN ECONOMIC ASSIS- TANCE. AND I'M CONFIDENT THAT WE ARE GOING TO BE ABLE TO WIN CONGRESSIONAL APPROVAL FOR THESE AMOUNTS. I SHOULD ALSO POINT OUT THAT THERE HAS BEEN SOME SPECULATION THROUGHOUT SOUTHEAST ASIA THAT THE U.S. WAS IN EFFECT WITHDRAWING FROM THE AREA OR THAT WE WERE REDUCING
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OUR LEVEL OF INTEREST OR OUR LEVEL OF COMMITMENT
IN THE AREA. THAT IS FAR FROM THE CASE. OUR
ASIA PROGRAM, INCLUDING SOUTHEAST ASIA LAST YEAR WAS ABOUT
800 MILLION DOLLARS. IN THE CURRENT YEAR IT'S ABOUT 850
MILLION. FOR THE NEXT FISCAL YEAR THE ADMINISTRATION WILL
BE REQUESTING CONGRESS TO APPROVE 950 MILLION DOLLARS FOR
THE REGION, SO WE ARE REQUESTING SIGNIFICANT
INCREASES IN THE PROGRAM FOR ASIA, GENERALLY AND FOR SOUTH
EAST ASIA SPECIFICALLY.

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Q. ON THE CROP-SUBSTITUTION PROGRAM, HILL TRIBE PEOPLE AND ON THE
REFUGEE PROBLEM, COULD YOU GIVE US SOME DETAILS HOW MUCH
HAVE BEEN GIVEN AND WILL BE GIVEN IN THE FUTURE?

A. WELL THOSE PROGRAMS OF CROP-SUBSTITUTION AND SO FORTH
STILL REMAIN TO BE WORKED OUT IN DETAIL WITH THE
THAI GOVERNMENT. IT SEEMS CLEAR THAT THERE IS NO QUICK
OR SIMPLE SOLUTION TO WHAT ARE VERY COMPLEX PROBLEMS
IN THOSE HILL REGIONS, AND WE SIMPLY HAVE SAID TO THE
PRIME MINISTER AND TO THE REPRESENTATIVES OF HIS GOVERNMENT
THAT WE ARE ANXIOUS TO WORK CLOSELY WITH THEM IN ATTEMPT-
ING TO PROVIDE LONG-TERM ECONOMIC IMPROVEMENT FOR
THOSE AREAS WHICH WILL PROVIDE THOSE PEOPLE WITH A

STANDARD OF LIVING WHICH WILL MAKE IT
UNNECESSARY FOR THEM TO DEAL IN NARCOTICS OR POPIES. NOW
AGAIN THERE IS NO QUICK OR SIMPLE SOLUTION TO IT, IT
WILL BE A LONG-TERM PROGRAM, BUT THAT IS WHAT WE INTEND TO
WORK ON.

Q. HOW MUCH WILL THAILAND GET THIS YEAR?

A. I DON'T KNOW, YOU MEAN WHAT IS THE THAI GOVERNMENT
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GOING TO COMMIT TO THESE PROGRAMS?

Q. NO, I SAID, ACCORDING TO THE AID, HOW MUCH THAILAND
WOULD RECEIVE?

A. WELL AS I SAID THIS YEAR, THE PROGRAMS IN THAILAND
ARE ABOUT 9 MILLION DOLLARS. WE'RE PROPOSING ABOUT 13 AND
15 MILLION DOLLARS FOR NEXT YEAR. THE YEAR BEGINNING NEXT OCT 1.

Q. NINE MILLION DOLLARS, IS IT ONLY FOR WHAT, WHICH PROGRAM?

A. NINE MILLION DOLLARS IS THE TOTAL PROGRAM IN THAILAND.
IT INCLUDES A NUMBER OF COMPONENTS BUT IT IS THE TOTAL
LEVEL OF ACTIVITY OF THE U.S. IN THAILAND FOR THIS CUR-
RENT FISCAL YEAR. ALL OF THE PROGRAMS, BOTH LOANS AND
GRANTS THAT WE WILL SUBMIT TO THE CONGRESS WILL TOTAL BE-
TWEEN 13 AND 15 MILLION DOLLARS FOR NEXT YEAR. SO IT IS
ABOUT A TWO-THIRDS INCREASE OVER OUR LEVELS OF THIS YEAR.

Q. YOU LISTENTED TO VOA THIS MORNING. IT SAID THAT U.S. THE
IS CUTTING AID IN ASIA IN ORDER TO GIVE IT TO AFRICA.

A. I HEARD THAT REPORT. I MEAN IT WAS REPEATED TO ME. NOT
UNLESS SOMETHING HAPPENED SINCE I LEFT WASHINGTON
THAT I KNOW NOTHING ABOUT. NOW I CANNOT UNDERSTAND THAT RE-
PORT BECAUSE I AM QUITE FAMILIAR WITH THE PROGRAM THAT
WE WORKED OUT FOR THE SUBMISSION TO THE CONGRESS. AND IT'S
CERTAINLY NOT THE CASE AS I'VE JUST SAID THE FIGURES FOR
ASIA GO FROM 800 MILLION IN FISCAL '77 TO 850 IN FISCAL '78
TO 950 IN FISCAL IN 1979. NOW THAT IS ANYTHING BUT A RE-
DUCTION. IT'S JUST THE OPPOSITE, SO I MUST SAY I'M SIMPLY
UNABLE TO UNDERSTAND THAT NEWS REPORT OR WHAT IT MEANS. I
THINK THERE MUST BE SOME CONFUSION SOMEWHERE ALONG THE
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LINE.

Q. YOU MENTIONED A LITTLE WHILE AGO THAT THE PROPOSAL TO THE CONGRESS, ABOUT 13 AND 15 MILLION FOREIGN AID FOR THAILAND IN FISCAL 79, AND I'D LIKE TO KNOW WHAT WOULD IT HAVE BEEN WITHOUT THE PROPOSAL. WHAT SHOULD IT HAVE BEEN?

A. WHAT SHOULD IT HAVE BEEN?

Q. YES, WHAT LEVEL SHOULD IT HAVE BEEN AT?

A. WELL, WE ARE NOW AT NINE.

Q. IN THE PAST YEAR, HAS IT BEEN INCREASING?

A. WELL WE WERE AT 5, WE WENT FROM 5 TO 9, NOW FROM 9 TO 13. SO IT'S BEEN A STEADY INCREASE OVER THE LAST SEVERAL YEARS. THE PROGRAM WHICH WAS ONCE VERY LARGE HAD PHASED DOWN TILL IT GOT DOWN TO A LEVEL OF ABOUT 4 TO 5 MILLION DOLLARS A YEAR. NOW IT'S ON THE WAY BACK UP.

Q. WHAT'S THE TOTAL PERCENTAGE INCREASE IN THE AID BUDGET BETWEEN FISCAL 78 AND FISCAL 79?

A. THE BUDGET REQUESTS FOR TOTAL U.S. ASSISTANCE, WILL REPRESENT ABOUT AN EIGHTEEN PERCENT INCREASE IN FISCAL '79 OVER '78 SO IN EFFECT, THE INCREASES FOR THAILAND WILL BE GREATER THAN THE AVERAGE ACROSS THE BOARD INCREASES.

Q. AND IF MY MATH IS CORRECT, 850 TO 950 INCREASES ABOUT 11 PERCENT, SO THAT IS SOMEWHAT BELOW?

A. BECAUSE ESSENTIALLY IN THAT 17 PERCENT INCREASE IS A VERY SUBSTANTIAL INCREASE FOR THE MULTI-LATERAL INSTITUTIONS. THE WORLD BANK, THE ASIAN DEVELOPMENT BANK AND SO FORTH, NOW A GREAT AMOUNT OF THAT MONEY AS WELL WILL BE FLOWING INTO ASIA
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AND INTO SOUTHEAST ASIA, BUT WE DON'T COUNT IT AS THE OTHER NUMBERS I GAVE YOU WERE OUR BI-LATERAL PROGRAMS. SO THAT IS NOT, THE 950 DOES NOT REPRESENT THE TOTAL AMOUNT OF AMERICAN RESOURCES THAT WILL BE FLOWING INTO ASIA, BECAUSE SOME OF IT, A SUBSTANTIAL PART WILL BE FLOWING THROUGH THESE INTERNATIONAL FUNDING INSTITUTIONS, AND THE UN SPECIALIZED AGENCIES THAT WILL END UP IN ASIA BUT WE DON'T COUNT IT AS PART OF OUR BI-LATERAL PROGRAM.

Q. WHAT ARE THE CHANCES OF GETTING YOUR REQUEST THROUGH CONGRESS?

A. I THINK, I'M VERY HOPEFUL, I'M VERY OPTIMISTIC ABOUT THE CHANCES. THIS PAST YEAR. OUR REQUEST TO THE CONGRESS WAS CUT LESS THAN FIVE PERCENT, OUR BI-LATERAL REQUEST. WE FARED BETTER THAT ALMOST ANY AGENCY OF THE FEDERAL GOVERNMENT IN TERMS OF THE AMOUNT OF MONEY THAT WE WON APPROVAL FOR OUT OF THE AMOUNT WE REQUESTED FOR. I THINK THAT WITH THE PRESIDENT'S STRONG SUPPORT WHICH WE ARE GOING TO HAVE, I'M QUITE CONFIDENT THAT WE ARE GOING TO BE ABLE TO GET OUR REQUEST VIRTUALLY INTACT.

Q. DO THE PROPOSED INCREASE FOR THAILAND REPRESENT AN INCREASE IN MONEY FOR EXISTING PROGRAMS OR DOES THIS REPRESENT SOME KIND OF NEW EMPHASIS IN ANY WAY?

A. THE PROGRAMS ARE THE SAME KINDS OF PROGRAMS THAT WE'VE BEEN UNDERTAKING, THEY ARE DIFFERENT ELEMENTS IN THE PROGRAMS BUT THEY ARE ESSENTIALLY THE SAME KINDS OF PROGRAMS INTEGRATED RURAL DEVELOPMENT PROGRAMS, PROGRAMS IN THE FIELD OF HEALTH AND FAMILY PLANNING. THOSE ARE ESSENTIALLY THE KINDS OF PROGRAMS THAT THE U.S. IS SUPPORTING,
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AND THOSE ARE THE KINDS OF PROGRAMS THAT THE THAI GOVERNMENT IS INTERESTED IN HAVING US PURSUE.
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